

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 21 – SB 1346

February 24, 2009

SUMMARY OF BILL: Prohibits workers less than 21 years of age in adult-oriented establishments that have a liquor-by-the-drink license. The bill would also prohibit certain beer permittees from employing persons under the age of 21 unless the sale of meals is the principal business of the permittee.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$67,500/ABC Fund

Decrease State Expenditures – Exceeds \$67,500/ABC Fund

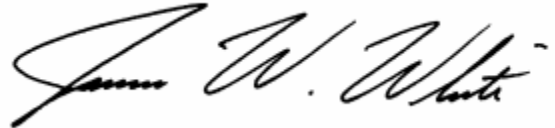
Assumptions:

- According to Tenn. Code Ann. § 57-4-204 adult-oriented establishments are not eligible to obtain on-premise liquor-by-the-drink license.
- According to estimates provided by the Alcoholic Beverage Commission (ABC) there would be approximately 450 establishments to which the provisions of the bill apply.
- It is assumed that each establishment would have 10 servers subject to the provisions of the bill. Therefore, the total number of server permittees impacted by the bill is estimated to be 4,500.
- Currently, each server permittee must pay a total of \$15 in annual permit fees. Of that total \$10 is for training and \$5 is the issuance fee for the permit card.
- The total decrease in state revenue is estimated to be \$67,500 (4,500 x \$15).
- There will be a decrease in state expenditures in an amount exceeding the decline in revenue associated with issuing fewer licenses. The \$15 charged to each applicant for training and issuance is slightly less than the actual cost according to estimates provided by ABC. As a result, the decline in recurring expenditures should slightly exceed the decrease in recurring revenue.

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CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director

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